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UNCLAS TEL AVIV 001925

STATE FOR NEA, NEA/IPA, NEA/PPD

WHITE HOUSE FOR PRESS OFFICE, SIT ROOM NSC FOR NEA STAFF

SECDEF WASHDC FOR USDP/ASD-PA/ASD-ISA
HQ USAF FOR XOXX
DA WASHDC FOR SASA
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CDR USCENTCOM MACDILL AFB FL FOR POLAD/USIA ADVISOR
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COMSIXTHFLT FOR 019

JERUSALEM ALSO ICD LONDON ALSO FOR HKANONA AND POL PARIS ALSO FOR POL ROME FOR MFO

SIPDIS

E.O. 12958: N/A TAGS: <u>OPRC</u> <u>KMDR</u> <u>IS</u>

SUBJECT: ISRAEL MEDIA REACTION

SUBJECTS COVERED IN THIS REPORT:

Mideast

Key stories in the media:

YediotQs Nahum Barnea and Shimon Shiffer reported that yesterday a senior U.S. official told the newspaper that understandings are shaping up between the Obama administration and the GOI: Israel will pledge to a moratorium on a postponement of at least Qa few months of new construction in settlements, in exchange for gestures on the

part of the Arab states; if the latter do not do so, Israel will be able to resume construction in settlement blocs with American approval. Electronic media cited the State Department as saying that U.S. Special Envoy for Middle East Peace George MitchellQs New York meeting with two emissaries of PM Benjamin Netanyahu had been a good one. Quoting diplomatic sources in Jerusalem as saying that the round of talks between the Americans and NetanyahuQs envoys is expected to result in a compromise, Maariv speculated that a three-way summit is on the way.

The Jerusalem Post quoted Silvan Shalom, Vice PM and Minister for Regional Development and the Development of the Negev and the Galilee, and the PAQs Economy Minister Bassem Khoury as saying that their meeting this yesterday in Jerusalem focused solely on day-to-day issues and did not constitute negotiations. However, speaking on Israel Radio this morning, Shalom reported that his meetings might lead to a diplomatic dialogue. The Web site nanal0.co.il wrote that yesterday the Palestinian Web site Quds-net reported that a high-ranking source in the PA told Quds-net that preparations were underway for a meeting between Palestinian PM Salam Fayyad and Israeli DM Ehud Barak that would be held some time in the course of the current month. The PA source was quoted as saying that Fayyad would present Barak with the Palestinians' requests for further relief measures, such as opening the border crossings into the Gaza Strip. The two men are expected to discuss a number of other issues as well.

HaQaretz quoted the Finnish newspaper Helsingin Sanomat. As saying that the Russian cargo ship that disappeared on its way from Finland to Algeria came up in talks between Finnish PM Matti Vanhanen and Russian PM Vladimir Putin, who met yesterday in the Polish city of Gdansk to discuss energy and the environment. HaQaretz reported that a spokeswoman for President Shimon PeresQs residence declined to respond to TIME MagazineQs questions about a possible connection between the affair and Peres's meeting with Putin. (Peres made a sudden visit to Russia the day after the ship was found.) Ron Ben-Yishai of the leading Web news site Ynet reported that Russia staged the hijacking of the ship following a tip it received from an unnamed country. Ben-Yishai said that that country revealed to Russia that S-300 missiles were concealed in the ship. Speaking on Channel 2-TV this morning, Ben-Yishai named the country in question as Israel.

Israel Radio reported that this morning two mortar shells landed in the Negev, near Gaza. The radio later said that the shells actually landed in Gazan territory.

Israel Radio quoted the Kuwaiti newspaper Alseyassah as saying, based on defense sources in Europe, that there were chemical weapons in HizbullahQs weapons warehouse that blew up on southern Lebanon around six weeks ago and that three members of the group were killed by those materials, in addition to eight Hizbullah militants who were killed in the explosion. According to Alseyassah, Hizbullah started stockpiling chemical weapons in south Lebanon last December.

HaQaretz reported that the State Prosecutor's representative twice hinted that construction in West Bank settlements might be retroactively legalized Wednesday, seemingly representing a major policy turnaround. The two responses are a departure from the state's usual response that the structures are illegal and are expected to be demolished. HaQaretz says that the responses, coming three weeks after Vice PM and Strategic Affairs Minister Moshe Ya'alon said that the State Prosecutor is not faithfully representing the current government's view on settlements, seem to signal a change in policy. The Jerusalem Post reported that yesterday Peace Now charged that pressure exerted on the State AttorneyQs Office by politicians, including Justice Minister Yaakov NeQeman, had caused it to suddenly change its approach to illegal construction by settlers in the West Bank. Leading media reported that MaQaleh Adumim Mayor Benny Kashriel plans to lay a cornerstone on the controversial West Bank hilltop of E-1 on Monday to protest continued international pressure in that unbuilt area of his city.

IDF Radio cited a survey carried out by the Israeli GovernmentQs Central Bureau of Statistics that in the first half of 2009, a 33% drop was recorded in the start of new construction work in the West Bank, in comparison with the equivalent period last year.

Construction in the territories is carried out on the basis of permits issued in the terms of previous governments, prior to Netanyahu's government.

Israel Radio cited the U.S. newspaper (?) Politico as saying, Qbased on American sources,Q that President Obama will demand that Israel not evacuate Palestinians from Jerusalem.

Makor Rishon-Hatzofe reported that Israel has released nine Hamas Parliament members at the end of their jail term.

Yediot: and Maariv reported on an exhibition starting today at Tel AvivQs Journalists' House (Beit Sokolov) depicting seven female suicide bombers who carried out attacks in Israel. The womenQs faces are inserted in reproductions of famous paintings representing the Virgin Mary and the Child. Yediot reported that bereaved families protested. Yediot also cited one of the artists as saying that the show actually condemns those womenQs actions.

The Jerusalem Post reported that yesterday the Supreme Arab Committee declared that he Israeli Arab sector will hold a one-day weeknd general strike on October 1, marking the annivesary of the October 2000 riots in which 13 Israei Arabs were killed.

The Jerusalem Post and othr media reported that yesterday Israel AerospaceIndustries revealed a new missile system called JUMER that can function as an autonomous artillery ystem for infantry forces operating behind enemylines.

HaQaretz and Yediot reported that yesterday an organization that works to strengthen ties between Israel and Diaspora Jews launched a scare-tactic campaign that urges Israelis to combat assimilation in North America by working to prevent the "loss" of their own Jewish acquaintances there. The 10-day Hebrew-language campaign, to be shown on television and online, was prepared by a leading advertising firm at the behest of MASA, a partnership between the Jewish Agency and the Israeli Government that helps finance and market semester- and year-length Israel programs for Diaspora Jews.

Leading media reported that yesterday the IAF grounded its QSufa F-16I fighter planes, after one of the aircraft made a forced landing. The planes will be able to fly again today or tomorrow.

Leading media (lead stories in HaQaretz and Makor Rishon-Hatzofe) reported that the rabbis of the Edah Haredit, a prominent anti-Zionist ultra-Orthodox communal organization, who have led the Jerusalem protests throughout the summer, will today issue new guidelines for their struggle against the opening of the municipal Karta parking garage on the Sabbath. While not calling for an end to the disputes, the rabbis are calling to avoid violence and damage to property. An Arab taxi driver was lynched and badly injured in JerusalemQs ultra-Orthodox quarter of Mea Shearim on Tuesday.

HaQaretz reported that extensive fortifications recently discovered in the archaeological excavation in Silwan in East Jerusalem (in the area known as the City of David) go back about 3,700 years, to the biblical period of the Patriarchs, revealing that Jerusalem at that time was significantly larger and stronger than previously believed.

Maariv reported that the Bank of Israel's updated growth projection for the Israeli economy, which brought anticipated growth for 2009 up to 0% and 2.5% for 2010, places Israel as the only country among the developed countries not to have negative growth in 2009. Out of a long list of 45 countries, Israel is ranked sixth in the global economic growth chart. This result if achieved if one cross-references the Bank of Israel's projections with the growth projections for 45 other countries (Israel was not included) that was provided by The Economist.

The Jerusalem Post cited a Tel Aviv University study made public yesterday, according to which Israel is at the bottom of the chart that records the relative amount of aid given by industrialized nations to developing countries.

Maariv reported that South African President Jacob Zuma called on Jews originating in his country to come back.

Yediot reviewed the results of a QsurprisingQ survey conducted by American pollster Stanley Greenberg, which show an increase in support of the American public for Israel -- especially among supporters of the Democratic Party. According to Yediot, which does not supply figures from the poll, Greenberg presented it to senior officials in the State Department.

Mideast:

Block Quotes:

¶I. "Tell the Settlers the Truth"

The independent, left-leaning Ha'aretz editorialized (9/3): QAccording to the minutes distributed by the Prime Minister's Office after Netanyahu's meeting with the heads of the Yesha Council of [Jewish] Settlements [in the Territories] last month, the Prime Minister stated that QWe are all interested in the same thing, Q and then added, QBut we must act wiselyQ.... There is no magic spell to clear the way to an agreement with the Palestinians based on a partition of the land that will also satisfy the ideological leadership of the right. If Netanyahu is committed to a Qtwo states for two peoplesQ solution, clearly he and the Yesha Council are not Qinterested in the same thing.Q If the Prime Minister really wants to resume talks with the Palestinians, he must tell the settlers boldly that negotiations on the future of the occupied territories are not reconcilable with creating facts in those territories. We can only hope that when the Prime Minister spoke of the necessity to Qact wiselyQ he was not hinting at an intention of abusing the effort by the American President to find a compromise on the settlement issue or of evading his commitments to freeze construction over the Green Line and to remove the outposts.

II. "The Enemies Who Protect Us"

Middle East affairs commentator Dr. Guy Bechor, a lecturer at the Interdisciplinary Center, wrote in the mass-circulation, pluralist Yediot Aharonot (9/3): QAn odd thing is happening, something almost unprecedented, and it has unfolded without official Israel having paid it any attention whatsoever: the enormous Sunni-Shiite conflict, as well as the rise of political Islam, have turned into implements that serve Israel. The work of the righteous is done by their enemies [a play on a Hebrew phrase], and Israel's enemies are so busy trying to survive between themselves that they have become Israel's best border guards, and they do a good job at that too -- better than us. Instead of Israel serving as an implement for them, as usual, they have become an implement in Israel's hands. Hamas is guarding Gaza closely, and mainly the rocket launching grounds and the border areas with Israel. When the members of a militia more radical than Hamas violated the arrangement and fired at Israel, Hamas butchered them mercilessly.... Hizbullah is guarding southern Lebanon closely, lest Sunni forces, such as Palestinians or al-Qaida-affiliates, should penetrate it. Ironically, Hizbullah has turned into the great stabilizing force of southern Lebanon and, consequently, of the border with Israel as well.... Fatah has been operating against Hamas in Judea and Samaria [i.e. the West Bank] as never before, knowing full well that if it fails to do this constantly, Hamas will rise up and destroy it, as it did in Gaza. In this case too, the most fundamental human rights are trampled underfoot in the arrests and the random executions. Syria too has kept the area closest to the border with Israel purged of any hostile elements because it does not want to have the border erupt. It also knows that its border with Israel could be its soft underbelly, an implement in the hands of its enemies. Egypt and Jordan are not enemies of Israel at all, but they too operate in the same way.... Here is the paradox: ... the deeper we penetrated into Arab territory in order to fight terrorism, the deeper we sank into the Arab mud and the mud of our disagreement among ourselves, and that only served to intensify terrorism. Once upon a time we used to use internal Arab disputes as leverage; now Israel (unwittingly so) is utilizing internal Arab differences as leverage for its own benefit.

Settler leader Israel Harel wrote in the independent, left-leaning HaQaretz (9/3): QJust now, however, when Netanyahu is pursuing a total construction freeze, [PA President Mahmoud] Abbas has issued an ultimatum to him via Al Jazeera-TV: Without a construction freeze in the settlements, he won't meet with Netanyahu.... Abbas has apparently come to the conclusion that as a result of the low point to which Israel's status has sunk in the world and the disintegration of Israeli solidarity, it is not worthwhile at this point to renew talks with Israel. It is preferable in his view that Israel be in a situation in which it is attacked from all directions and continues to lose status, societal cohesion and self-confidence. And when the siege tightens on all sides, and we see governments and non-profit organizations dealing with this intensively all over the world, it will be possible to begin to implement the real vision: a Palestinian state from the Mediterranean to the Jordan River.

CUNNINGHAM